

Message Text

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43

ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 XMB-02 AID-05 IGA-01 CIAE-00

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FM AMEMBASSY RABAT

TO SECSTATE WASHDC 6275

INFO USDOC WASHDC

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PASS EXIM

E.O. 11652: N/A

TAGS: ETRD BDIS MO

SUBJECT: MOROCCAN NATIONAL RAILWAYS COMPLAINT THAT GENERAL MOTORS
HAS FAILED TO FURNISH NEEDED PARTS IN CONNECTION MAJOR
LOCOMOTIVE SALE

REF: A. RABAT 2924

B. STATE 148201

1. AS REPORTED REF A, MOROCCAN NATIONAL RAILWAY COMPANY (ONCF) DID NOT RECEIVE NECESSARY SPARE PARTS AND TOOLS ORDERED WITH INITIAL 15 LOCOMOTIVES. IN RESPONSE (REF B) GM ELECTRO-MOTIVE DIVISION CAVALIERLY DISMISSED COMPLAINT AS "EXAGGERATED" (DESPITE ONCF CLAIMS OF "SEVERE OPERATIONAL DIFFICULTIES"), ORDER FOR FOUR ADDITIONAL LOCOMOTIVES APPARENTLY BEING INTERPRETED AS EVIDENCE OF ONCF SATISFACTION WITH GM BUSINESS METHODS. ONCF INFORMS US FOUR LOCOMOTIVES ORDERED TO SATISFY NEEDS OF RAIL LINE BEING SERVICED BY SAME TYPE OF EQUIPMENT. ONCF SATISFIED WITH GM MATERIAL BUT NOT RPT NOT WITH GM SERVICE.

2. ONCF HAS NOW RECEIVED LETTER FROM J.M. CAPRIA, EXPORT CUSTOMER SERVICE REPRESENTATIVE CONSTITUTING EIGHT PAGE RECITAL OF MALFEASANCE AND ERRORS ON PART OF GM, UPSHOT OF
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WHICH IS THAT GM IS NOT RPT NOT SHIPPING MAJORITY OF PARTS

ORDERED BY ONCF AND COST OF REST HAS BEEN INVOICED AT SOMETHING APPROACHING TWICE COST OF ENTIRE ORIGINAL ORDER.

3. DELAY APPEARS TO HAVE BEGUN WHEN ELECTRO-MOTIVE DIVISION BEGAN LABORIOUS CHECKING TO SEE IF ALL PARTS ORDERED WERE IN FACT APPLICABLE TO NEWLY ORDERED LOCOMOTIVES. THIS DONE WITHOUT CHECKING WITH ONCF TO SEE WHETHER OR NOT ONCF HAD OTHER USE FOR PARTS. GM APPARENTLY ASSUMED THAT ONCF ENGINEERS INCOMPETENT TO DECIDE WHAT THEY NEED IN WAY OF PARTS TO KEEP ENTIRE NATIONAL RAIL SYSTEM OPERATING AND THAT GM SHOULD DECIDE UNILATERALLY WHAT PORTIONS OF ORDER IT CHOSE TO FILL. ONCF HAS INFORMED US SPARE PARTS ORDER WAS INTENDED TO SERVICE NOT ONLY GM LOCOMOTIVES BUT OTHER LOCOMOTIVES OF FLEET BELONGING TO ONCF. WHATEVER JUSTIFICATION MAY HAVE BEEN, MONTHS WERE LOST IN CHECKING PROCESS. ENTIRE ORDER THEN HELD UP WHEN SALES AND SUPPLY FUNCTIONS TRANSFERRED TO NEW GM DIVISION. THIRD DELAY ENCOUNTERED BECAUSE EXIM LETTER OF CREDIT HAD TO BE EXTENDED AS RESULT FOREGOING ACTIONS.

4. RECITAL OF ERRORS CONTINUES WITH ACCOUNT OF GOODS INITIALLY PACKED FOR DOMESTIC CONSIGNMENT, NEED TO UNPACK AND REPACK FOR EXPORT, MISSED SHIPS AND LATE ARRIVING AIRPLANES. STORY WOULD BE HUMOROUS EXCEPT FOR REFLECTION OF INCREDIBLE INCOMPETENCE ON PART OF SECOND LARGEST BUSINESS ENTERPRISE IN US. ONCF, AT ANY RATE, SEES ATTEMPT TO CHARGE FOR COST OF REPACKING PLUS TWENTY PERCENT INFLATION OVER PAST EIGHTEEN MONTHS BECAUSE OF GM BUNGLING AS NO JOKE.

5. ONCF HAS ONCE MORE APPROACHED EMBASSY, THIS TIME WITH RESPECT TO \$60,000 EXCESS CHARGE ON TOOLS AND PARTS ORDER. WHEN HIGHER THAN EXPECTED BILL ARRIVED, ONCF DISCUSSED WITH REGIONAL SALES REP GLAIBER. IT IS UNDERSTOOD THAT FINAL AGREEMENT WAS FOR GM TO PAY PACKING COSTS; ONCF TO ASSUME SLIGHTLY HIGHER PRICES BECAUSE SOME EARLIER QUOTATIONS HAD BEEN INCORRECT. NOW CAPRIA LETTER HAS ARRIVED WITH HIGHER BILLINGS, INCLUDING PACKING COSTS, AS IF GLAIBER DISCUSSION HAD NEVER TAKEN PLACE. ONCF WILL BE ASKING FOR FURTHER TALKS WITH GM TO LOOK INTO REASONS FOR CONTINUING DIFFERENCES, BUT WE WISHED DEPARTMENT, EXIM AND USDOC TO BE AWARE OF DEVELOPMENTS.

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6. COPY OF CAPRIA LETTER POUCHED FOR ADDRESSEES. SINCE SUBSTANCE OF FOREGOING CONFIRMED BY GM DISTRICT MANAGER GLAIBER (SEE REF A), WE BELIEVE SERIOUS POLICY QUESTIONS RAISED WHETHER USG SHOULD BE EXTENDING FINANCIAL AND OTHER SUPPORT TO OPERATIONS OF FIRM WITH SUCH CASUAL ATTITUDE TOWARDS FULFILLING ITS CONTRACTUAL OBLIGATIONS. NEUMANN

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Message Attributes

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Draft Date: 21 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Margaret P. Grafeld
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